

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: FREE SPEECH SYSTEMS, LLC <div style="text-align: center;">Debtor.</div>))))))	Case No. 22-60043 Chapter 11 (Subchapter V)
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CHAPTER 11, SUBCHAPTER V STATUS REPORT

Free Speech Systems, LLC., the debtor and debtor-in-possession in the above-captioned chapter 11 case (the “Debtor”), hereby files this status report pursuant to the Court’s order entered on August 12, 2022 [ECF No. 65] and respectfully states as follows:

1. The Debtor is in the process of preparing its projections of disposable income necessary to propose a plan of reorganization in this case and prepare valuations of its assets. The Debtor believes that the disposable income will be the principal source of funds available for distribution in this chapter 11 case.

2. The Debtor intends to work with its creditors and attempt to obtain a consensual plan. To date, the Debtor has scheduled meetings with PQPR Holdings Limited, LLC (“PQPR”) regarding its treatment under a plan. The first such meeting was scheduled for September 13, 2022, but was postponed due to the hearing regarding a discovery dispute involving PQPR that was set for that day. Additionally, the Debtor has reached out to the bankruptcy counsel for the various tort claimants in the Texas and Connecticut litigation (collectively, the “Plaintiffs”) to communicate its willingness to have discussions regarding a plan of reorganization. The Debtor believes that reconciling PQPR and the Plaintiffs would present the most difficult challenge to a consensual plan and therefore has therefore focused its efforts on those creditors to date.

3. The Debtor has also requested that the subchapter v trustee become more involved in the case in an effort to move the case forward. On September 12, 2022, the subchapter v trustee and her potential proposed counsel visited the Debtor's facility to gain insight to the Debtor's operations. And although the Debtor believes that it is capable of investigating PQPR's asserted secured claim and potential avoidance actions, it believes that expanding the subchapter v trustee's duties may ultimately prove beneficial to allow the parties to focus on working to a plan of reorganization.

4. Fruitful negotiations with the Plaintiffs are hindered pending resolution of several pending motions. The U.S. Trustee's objections to the employment of the CRO and Shannon & Lee LLP limit the Debtor's ability to prepare a plan of reorganization and the Plaintiffs appear reluctant to enter discussions while their motion for the appointment of a tort claimants committee and removal of the Debtor as debtor in possession is pending. Nonetheless, the Debtor continues to work toward a plan in this case.

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Dated: September 13, 2022

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CERTIFICATE OF SERVICE

I hereby certify that on September 13, 2022, a true and correct of the foregoing document was served electronically via the Court's CM/ECF system on all parties registered to receive such service.

/s/R. J. Shannon